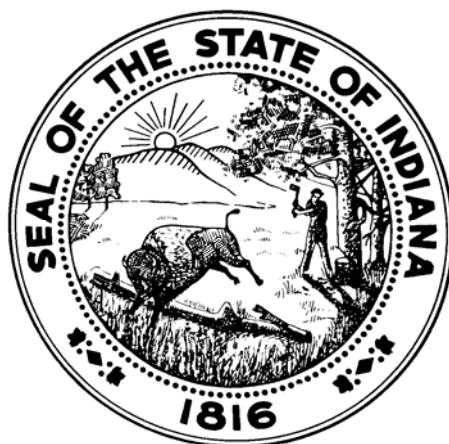


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

MARION COUNTY SMALL CLAIMS COURT
PIKE TOWNSHIP DIVISION
MARION COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

05/22/2007

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COURT OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Judge	Hon. A. Douglas Stephens	01-01-03 to 12-31-10
Chairman of the Township Board	Brent Clemmons Annette Johnson	01-01-05 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MARION COUNTY SMALL CLAIMS COURT, PIKE TOWNSHIP DIVISION

We have examined the records of the Marion County Small Claims Court, Pike Township Division for the period from January 1, 2005 to December 31, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of this office are reflected in the Financial Schedules of Pike Township, Marion County, for the period January 1, 2005 to December 31, 2006.

STATE BOARD OF ACCOUNTS

April 19, 2007

MARION COUNTY SMALL CLAIMS COURT
PIKE TOWNSHIP DIVISION
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for audit or were incorrect. Court personnel did compare the receipts and disbursements shown in the official records to deposits and checks cleared shown by the bank statement on a monthly basis. However no evidence was presented for audit, a reconciliation between the fund balances and the bank account balances was completed during the examination period.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MARION COUNTY SMALL CLAIMS COURT
PIKE TOWNSHIP DIVISION
EXIT CONFERENCE

The contents of this report were discussed on April 23, 2007, with Hon. A. Douglas Stephens, Judge. The official response has been made a part of this report and may be found on pages 6 and 7.

Pike Township of Marion County Small Claims Court

A. Douglas Stephens, Judge

5665 Lafayette Road, Suite B

Indianapolis, Indiana 46254

(317) 293-1842

fax (317) 290-8319

April 23, 2007

Official Response
State Board of Accounts
302 W. Washington Street
4th Floor
E-418
Indianapolis, IN 46204

**Re: 2003-2004 Audit of Pike Small Claims Court/Exit Conference--
Official Response**

Dear Sir or Madam::

Please accept this as the official response to the Exit Conference on the above audit. At the time of the conference, the issue of "Bank Account Reconciliation" was discussed.

In reference to the bank accounts, the following comment reads:

Depository reconciliation's of the fund balances to the bank account balances were not presented for audit or were incorrect. Court personnel did compare the receipts and the disbursement shown in official record to deposits and checks cleared shown by the bank statement on a monthly basis. However, no evidence was presented for audit of a reconciliation between the fund balances and the bank account balances as completed during the examination period.

This Court has had in use since 1991 software used statewide by other local governments and at least seven (7) of the other Township Courts and offices in Marion County. That software includes a bank accounting reconciliation feature—which is a duplicate cashbook. Since the time of its implementation, the Court has reconciled the bank statement to the software monthly statement. That software allows us to compare checks, deposits, and other disbursements, as issued, to the bank statement. This system has been approved in at least four (4) prior audits. The resulting reconciliation is the same as if it were reconciled to

Page Two
Official Response to State Board of Accounts

the "approved cash book". At the end of the day—or the month in this case, the books should balance and they do.

I understand that the State Board of Accounts now wishes us to balance the approved cashbook to the bank statement by using a bank balancing form. This would appear to be what I.C. 5-13-6-1 would call for us to do. We will adopt that procedure, however, the comment seems to suggest the procedure was wrong or not balanced. The books did balance and no funds remained unaccounted. I believe the comment should be amended to reflect what has occurred, since the implication is that an accounting irregularity occurred. Clearly we have reconciled "at least monthly the balance of the public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories".

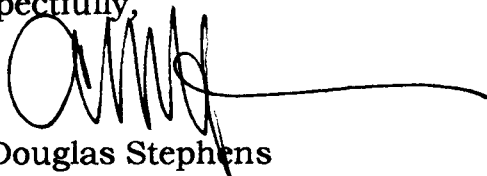
I would suggest that the comment either be stricken or revised as follows:

Reconcilement between the fund balance and the bank account balance were not completed with a comparison between the approved cash book and the bank statement during the examination period. The Court used a computer generated duplicate, which was balanced to the bank statement. While the result was the same, the required bank reconcilement is one in which the bank balance is reconciled to the state approved cash book balance.

Should a member of your staff or the staff attorney wish to discuss this matter, please feel free to contact me at the above telephone number or at my email indylaws@aol.com.

Thank you in advance for your attention to this matter.

Respectfully,



A. Douglas Stephens

ADS/hk